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ABSTRACT

Shifts in student life styles and the phenomenon of empty dormitory rooms notwithstanding, many colleges and universities still face the problem of providing adequate housing for their students or helping them to find such housing. An interesting, if little publicized option--one to be exercised more by students than by institutions--is student-initiated housing, in which student groups lease, purchase, or even develop their own living quarters. This report summarizes a report by Educational Facilities Laboratories on this subject. (Editor)

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## Student-Initiated Housing



Photo by Bob Feild

*Rochdale Village, student-initiated housing complex at the University of California at Berkeley.*

Shifts in student life styles and the phenomenon of empty dormitory rooms notwithstanding, many colleges and universities still face the problem of providing adequate housing for their students or helping them to find such housing. An interesting, if little-publicized option—one to be exercised more by students than by institutions—is student-initiated housing, in which student groups lease, purchase, or even develop their own living quarters. To fill the information gap, Educational Facilities Laboratories is soon to publish a report on the subject by Washington-based consultant Robert M. Feild. The report's highlights are summarized in the following article.

It might be argued that the earliest examples of student-initiated housing are to be found in the college fraternities that sprang up on the American campus in

the latter half of the eighteenth century. But fraternity housing did not, as Robert M. Feild points out in his new report, meet "a very real need for inexpensive room

and board for students who were willing to pitch in and take responsibility for buying and cooking their own food, cleaning their building, and pooling their needs and energies."

That need became most evident in the depression years of the thirties, a period that, for Feild's purposes and those of this article, marked the birth of student-initiated housing in the United States. The '30s saw the founding—notably at the University of Michigan at Ann Arbor and the University of California at Berkeley—of student housing cooperatives. The new co-ops, as they came to be known, were inspired in part by the broader cooperative movement that had its origins in England in the 1840s, and their beginnings were modest.

The early cooperatives were made up of small groups of 20 or so students who, rather than individually pay room and board to a landlord, banded together to lease their own house. Properly planned, the arrangement meant better student living arrangements at lower cost. The individual student had access to an entire house rather than a cramped dormitory room. Members shared purchasing, food preparation, cleaning, and maintenance responsibilities and profited by the resulting economies.

#### *BIRTH OF A MOVEMENT*

Growing student interest on co-op living resulted, at Ann Arbor, an expansion from one cooperative house in 1935 to eleven by 1941. Meanwhile, in 1937, an Inter-Cooperative Council (ICC) was founded to provide centralized and more efficient management and the benefits of bulk purchasing for the co-ops. At the same time, funds could be set aside for the purchase of co-op houses from the original landlords or purchase of additional housing for co-op use.

Unlike the original co-op houses, where members made decisions in dining-room meetings, ICC required professional direction and, in 1951, hired a full-time manager to supervise both day-to-day operations and development of additional housing. The manager was responsible to a board of directors including an elected member from each co-op house.

Through early efforts to shift from leases to ownership of its housing and a critical early decision to set aside development funds, ICC has evolved into an organization that, 39 years after its founding, has assets of \$2.5 million and provides housing for more than 700 students.

#### *ENTER THE FEDERAL LOAN*

While Ann Arbor and Berkeley were not the only campuses with cooperative housing, the movement remained a relatively minor campus phenomenon until

1968 and the inception of the Student Housing Loan program of the U.S. Department of Housing and Urban Development. Under the program, student non-profit corporations and cooperatives were eligible for loans and could undertake new construction on a scale not previously possible. And that new capability came at a time of sharp enrollment increases and an acute need for student housing.

The resulting spate of new development produced some impressive results:

- At Ann Arbor, ICC developed a new North Campus project, a cluster of nine residential units housing 216 students, who share a common kitchen and dining hall.

- Berkeley's University Students Cooperative Association, which earlier had developed the 128-student Ridge student housing project, sponsored construction of Rochdale Village, including 95 units of low-rise apartments.

- In Oregon, Portland Student Services, Inc., at Portland State University, took over management of 287 apartment units in eight old apartment buildings near the campus and later planned and built Goose Hollow Tower, including 221 student apartment units.

And major efforts undertaken on other campuses with varying degrees of success are described in Feild's report.

#### *THE DEVELOPMENT CORPORATION MODEL*

Feild describes these recent student-sponsored housing projects as the "development corporation model," as contrasted to the earlier "residential model," which relied on the acquisition of existing residences or fraternity houses. The development corporation model requires a professional staff equipped to plan and supervise a project over a two- to three-year period, working closely with the federal government, state agencies, the university, architects, the contractor, and the student "clients." And, as Feild points out, "a new scale of risks is involved; failure of a \$3-million project could ruin the cooperative, embarrass the university, and force the federal government to step in."

The report offers a number of suggestions that should help minimize the risks and avoid failure. It suggests, for example, that the success of Oregon's Portland Student Services was due in substantial part to careful research of student housing needs at Portland State. It also suggests that, while the projects are student-initiated, the full cooperation of the university administration and local and state governments is essential if the project is to get off the ground or if it is to avoid ultimate failure.

Projects utilizing university-owned land, for example, generally are economically more viable than those

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*The University of Washington in Seattle houses some 4,300 of its 32,000 students in university-operated residence halls. In an effort to keep occupancy levels high, the university has instituted a series of major reforms to make campus housing more attractive. Most dramatic of them is an aggressive "marketing" campaign, typified by the above advertisement from a campus newspaper.*

involving the purchase of a site. Similarly, where projects enjoy exemption from local real estate taxes, the going usually is easier.

Finally, Feild identifies a number of non-profit, student-generated organizations that are available to assist student groups in the organization of new housing development organizations and in the development of specific projects. The consulting organizations generally are staffed by former students with considerable experience in student-initiated housing.

### **COLD WATER FROM WASHINGTON**

Actually, there to date have been no examples of co-ops or student development corporations failing to meet their mortgage payments in the United States. (In contrast, a major cooperative in Toronto is \$400,000 behind in its payments, due in part to Canadian government financing requirements and the lack of real estate tax exemption.) And, as late as the spring of 1972, Richard Ulf, director of HUD's College Housing Loan program, could comment that "student-initiated housing makes a lot of sense. I just don't know why we

aren't getting more applications from student groups."

But, less than a year later, the prospects and the applications came to a screeching halt as a result of President Nixon's order in January 1973 freezing for at least nine months all HUD development funds—including those for college housing loans—pending a review of all programs. Feild suggests that, while massive subsidy programs for low-income housing were the prime targets of the freeze, the College Housing Loan program is not expected to survive.

But demise of the program, Feild argues, need not mean the end of student-initiated housing projects. Such projects, he points out, need special financing mechanisms—not necessarily a subsidy—to provide the necessary start-up funds, "a certain critical mass."

While the freeze dealt a crippling blow to some student groups contemplating or planning new housing projects, Feild reports that most established groups responded by simply seeking other sources of funds. In Oregon, PSS lobbied last spring for a bill to make state revenue bonds available for student housing at Portland State. And, in Minneapolis, the Minnesota Student Association's Student Housing Corporation sought financing from local non-profit development corporations for its new projects.

### **VIEW TO THE FUTURE**

Established large cooperatives will continue to operate and even expand modestly without federal subsidy, Feild concludes, while new groups will face a struggle in gaining the "institutional legitimacy" necessary to finance the acquisition of property. But, overall, his view of the future of student-initiated housing is an optimistic one.

He points to the recent trend in which universities are disengaging themselves from the business of supplying and operating student housing and suggests that it will result in an increasingly important role for student groups. "Not only can we expect to see more student-initiated housing," he argues, "but there should be an increase in the number of campuses that turn existing buildings over to student management (as has happened at the University of Minnesota). As universities tighten their belts, the savings that students can achieve through managing their own environment become a convincing argument for change."

In addition, he reports speculation by HUD's Richard Ulf over the possibility of a limited federal future in student housing, taking the form of guarantees of mortgages obtained on the private market. The guarantees would aid poor-risk private institutions and student groups in obtaining project financing.

The Feild report is aimed primarily at a student audience and is essentially a handbook for student groups contemplating housing development projects. It includes a discussion of the decision-making process in such projects, a history of the movement, a step-by-step guide to organization and implementation, a chronology

of the Portland Student Services organization, and profiles of nine major student-initiated housing projects or organizations in the United States and Canada. And, since student initiated housing projects are exactly that, this is perhaps as it should be.

However, the report contains much information and insight that should be of value to administrators whose institutions already boast student-initiated housing, where such projects are contemplated or in the planning

stages, or where the institution wishes to encourage its students to explore the student-initiated housing option.

*James J. Morisseau*

The report, *Student-Initiated Housing*, available free from:

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